

STATEMENT OF PURPOSE

RS19359C2

Access to capital is a critical component of the success of small business and the creation of jobs. The Idaho Small Business Venture Capital Investment and Jobs Act creates Idaho jobs by increasing access to capital for small business (less than 20 employees) by offering a transferable 50% tax credit on all earnings (other than interest) from venture capital investments in small Idaho businesses. The act includes a five year sunset and claw-back provisions. Jobs: This legislation will create up to 1,000 new Idaho jobs in the first year.

FISCAL NOTE

State General Fund: New jobs and increased corporate taxes created through venture capital investment in Idaho will more than offset the cost of the tax credit. In addition, the positive impact to the general fund is magnified because jobs are created before the investment tax credit is paid.

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